

MEMO# 30564

February 3, 2017

Draft ICI Response to FSB Task Force Consultation on Climate Change Disclosure (Your Comments Requested by February 8)

[30564] February 3, 2017 TO: Closed-End Investment Company Committee
ICI Global Regulated Funds Committee
ICI Global Steering Committee
International Committee
SEC Rules Committee
Small Funds Committee RE: Draft ICI Response to FSB Task Force Consultation on Climate Change Disclosure (Your Comments Requested by February 8)

As you know, a FSB-convened Task Force recently released a report setting out recommendations for voluntary climate-related financial disclosures with the aim of addressing “the need for better information to support informed investment, lending, and insurance underwriting decisions to improve understanding and analysis of climate-related risks and opportunities, and over time, to help promote a smooth rather than an abrupt transition to a lower-carbon economy.” According to the report, “this transition to a lower-carbon economy requires significant and, in some cases, disruptive changes across economic sectors and industries in the near term” that may cause “severe financial shocks and sudden losses in asset values.”

ICI’s draft response is attached for your review and summarized briefly below. If you have any comments on the draft response, please send them to Linda French at linda.french@ici.org by close of business on Wednesday, February 8. We plan to file our comments with the Task Force on Friday, February 10.

ICI’s draft response consists of a cover letter and a separate document containing responses to specific consultation questions in the format required for submission through the Task Force consultation’s online portal.

Our response highlights three significant concerns with the Task Force’s recommendations:

1. They rest on the false premise of a link between climate-related disclosure and risk to the global financial system, for which the Task Force provides no supporting data or analyses;
2. They are unnecessary in light of existing disclosure requirements; and

3. They are not feasible for funds to implement.

Our letter strongly recommends that the Task Force abandon this initiative given its faulty premise, the presence of sensible policies already dictating the disclosure of material climate-related risks, and the unachievable expectations it would place on asset managers.

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Linda French
Counsel

[Attachment No. 1](#)

[Attachment No. 2](#)

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